

Message Text

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40

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 ISO-00 SSO-00 NSCE-00 USIE-00

INRE-00 SS-15 SP-02 L-03 NSC-05 CIAE-00 INR-07

NSAE-00 PA-01 PRS-01 STR-04 CEA-01 CIEP-01 OMB-01

AGR-05 COME-00 FRB-03 TRSE-00 AID-05 OES-03 NRC-05

/088 W

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O 111245Z JUL 75

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC IMMEDIATE 288

INFO AMEMBASSY LONDON IMMEDIATE

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

LIMITED OFFICIAL USE BRASILIA 5705

FOLLOWING RECD FROM RIO DATED 10 JUL SENT ACTION BRASILIA,
BEING REPEATED FOR YOUR ACTION AND INFO:

QUOTE

RIO DE JANEIRO 2183

E. O. 11652: N/A

TAGS: ETRD EAGG OCON BR

SUBJECT: COFFEE NEGOTIATIONS - RIO REACTION

REF: A. LONDON 10567; B. LONDON 10507

SUMMARY: DURING ROUTINE CALL BY CONGEN RIO BRAZILIAN COFFEE
INSTITUTE MARKETING DIRECTOR MADE PRESENTATION VIRTUALLY
IDENTICAL TO THAT DESCRIBED REFTEL A. CONSUMER PROPOSAL
DESCRIBED AS RETROGRADE. END SUMMARY.

1. CONGEN RIO OFF CALLED ON BRAZILIAN COFFEE INSTITUTE MARKETING
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DIRECTOR BAUMGRATZ AFTERNOON OF JUNE 9. PURPOSE WAS DISCUSSION

OF SHAKE-OUT IN BRAZILIAN SOLUBLE COFFEE INDUSTRY. BAUMGRATZ, HOWEVER, QUICKLY DISMISSED THIS SUBJECT AND LAUNCHED INTO ACTIVE, THOUGH NOT EMOTIONAL, ATTACK ON CONSUMER PROPOSAL THAT HAD JUST BEEN PRESENTED IN LONDON ICO MEETING. CRITICISM OF CONSUMER PROPOSAL WAS VIRTUALLY IDENTICAL TO THAT MADE BY AMBASSADOR CAMPOS IN HIS CALL ON EMBASSY LONDON (REFTEL A).

2. BAUMGRATZ SAID THAT HE HAD ALREADY SPOKEN WITH IBC PRESIDENT CALAZANS SEVERAL TIMES THAT DAY. HE DESCRIBED CALAZANS AS MORE UPSET THAN HE HAD EVER BEEN IN THEIR YEARS OF ASSOCIATION (THEY WERE FRIENDS PRIOR TO ASSUMING OFFICE LAST YEAR). HE WAS FIRM IN REPEATING CALAZAN'S STATEMENT THAT CONSUMER PROPOSAL DOES NOT RPT DOES NOT PROVIDE BASIS FOR ANY AGREEMENT.

3. BAUMGRATZ STATED THAT THE PROPOSAL IS RETROGRADE WHEN COMPARED WITH "EXCELLENT" US PROPOSAL OF APRIL. THAT EARLIER DOCUMENT, HE STATED, HAD GIVEN BRAZILIAN NEGOTIATORS THE FEELING THAT THE USG WANTED AN AGREEMENT. THIS FEELING WAS REINFORCED IN BILATERAL CONTACTS WITH THE US AND OTHER IMPORTANT CONSUMERS. HE DESCRIBED THE DIFFERENCE BETWEEN THESE BILATERAL UNDERSTANDING AND THE CONSUMER PRODUCER AS ENORMOUS.

4. POINTS IN CONSUMER PROPOSAL THAT BAUMGRATZ ATTACKED MOST ENTHUSIASTICALLY INCLUDED BASE YEARS FOR QUOTA, INCLUSION OF NON-MEMBERS IN GLOBAL TOTAL AND EXCLUSION OF STOCKS FROM FIRST YEAR QUOTA CALCULATION.

5. BAUMGRATZ REPEATED THEME CALAZANS STATED IN RECENT MEETING WITH AMBASSADOR CRIMMINS: THE COFFEE AGREEMENT COULD BE AN EXAMPLE IN TERMS OF PRODUCER-CONSUMER AGREEMENT IN THE AREA OF COMMODITIES AND RAW MATERIALS. BAUMGRATZ SAID THAT LONDON EVENTS CAST DOUBT ON WHETHER CONSUMERS WANTED AN AGREEMENT.

6. PASSING COMMENT ALSO MADE TO THE EFFECT THAT US MAY HAVE BEEN TRYING TO GET BACK AT BRAZIL BECAUSE OF BRAZILIAN/FRG NUCLEAR AGREEMENT. WHEN CONGENOFF STATED THAT THIS WAS NOT THE CASE NOTING THAT CONSUMER STATEMENT WAS JOINT STATEMENT PROBABLY INCLUDING FRG BAUMGRATZ LAUGHED AND SAID HE DID LIMITED OFFICIAL USE

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NOT REALLY THINK SO BUT THAT THE THOUGHT HAD OCCURRED.

7. BAUMGRATZ GAVE CONGENOFF COPY OF CALAZANS STATEMENT (BEING POUCHED). FULL MEMCON WILL BE PREPARED.

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CRIMMINS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
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Control Number: n/a
Copy: SINGLE
Draft Date: 11 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MartinML
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750240-0303
From: BRASILIA
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